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February 12, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 24328-A FILED

FEB 12 03 2-24 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Commercial Security Agreement, dated as of February 7, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #1 to Master Equipment Lease Agreement which is being filed with the Board under Recordation Number 24328.

The names and addresses of the parties to the enclosed document are:

Lender: The Bank of Edwardsville
330 West Vandalia
Edwardsville, IL 62025

Grantor: Midwest Railcar Corporation
3 Professional Park Drive, Suite B
Maryville, IL 62062

A description of the railroad equipment covered by the enclosed document is:

36 gondola railcars MMA 033600 – MMA 033635

Mr. Vernon A. Williams
February 12, 2003
Page Two

A short summary of the document to appear in the index follows:

Memorandum of Commercial Security Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anr
Enclosures

RECORDATION NO. 24328-1A FILED

FEB 12 '03 2-24 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

BETWEEN

**THE BANK OF EDWARDSVILLE
("LENDER")**

AND

**MIDWEST RAILCAR CORPORATION
("GRANTOR")**

February 7, 2003

Memorandum of Commercial Security Agreement made and entered into as of February 7, 2003, by and between The Bank of Edwardsville, an Illinois corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Grantor").

WITNESSETH:

To secure all obligations of the Grantor under a certain Commercial Security Agreement dated as of February 7, 2003 (the "Security Agreement"), and that certain Promissory Note dated February 7, 2003, Grantor hereby assigns to Lender all of Grantor's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Grantor's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Grantor on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Schedule No. 1 dated effective January 30, 2003 which incorporates by reference that Master Equipment Lease Agreement dated effective January 30, 2003 by and between Grantor (as Lessor) and Montreal, Maine & Atlantic Railway, LTD (as Lessee), and any other Exhibits or Schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Grantor's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Grantor including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Grantor under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

THE BANK OF EDWARDSVILLE, as Lender

By: Chris Barlow

Title: Vice President

Date: 2-7-03

MIDWEST RAILCAR CORPORATION,
as Grantor

By: _____

Title: _____

Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

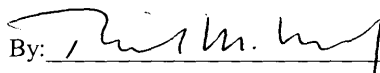
THE BANK OF EDWARDSVILLE, as Lender

By: _____

Title: _____

Date: _____

MIDWEST RAILCAR CORPORATION,
as Grantor

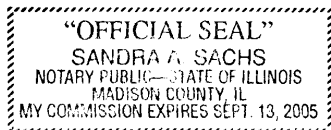
By: 

Title: President & CEO

Date: 2.5.03

STATE OF Illinois)
) ss.
COUNTY OF Madison)

On this 7 day of February 2003, before me personally appeared William D. Barlow, to me personally known, who being by me duly sworn, says that he is the Vice President of The Bank of Edwardsville, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.



Sandra A. Sachs
NOTARY PUBLIC

My commission expires: Sept. 13, 2005

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of February 2003, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of February 2003, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of The Bank of Edwardsville, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

STATE OF Minnesota)
) ss.
COUNTY OF Sherburne)

On this 5th day of February 2003, before me personally appeared Richard M. Murphy, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

David L. Smith

NOTARY PUBLIC

My commission expires: 1-31-06



SCHEDULE OF RAILCARS

Thirty-Six (36), 80-ton, 6600 C.F. gondolas, bearing the following reporting marks and numbers:

MMA033600	MMA033618
MMA033601	MMA033619
MMA033602	MMA033620
MMA033603	MMA033621
MMA033604	MMA033622
MMA033605	MMA033623
MMA033606	MMA033624
MMA033607	MMA033625
MMA033608	MMA033626
MMA033609	MMA033627
MMA033610	MMA033628
MMA033611	MMA033629
MMA033612	MMA033630
MMA033613	MMA033631
MMA033614	MMA033632
MMA033615	MMA033633
MMA033616	MMA033634
MMA033617	MMA033635